

Proposed Budget Executive Summary

Budget Summary Schedules

CAPITAL IMPROVEMENTS PROGRAM

The Proposed Fiscal Year 2001 Capital Improvements Program (CIP) Budget totals \$539,577,978, which represents a decrease of \$210,933,593 or 28% from the Fiscal Year 2000 Budget. Sewer and water projects comprise over 49.5% of the total CIP Budget. The major CIP components are summarized as follows:

PROGRAM	FY 2001 CIP Budget (in millions)	% of FY 2001 CIP Budget
Water	145.97	27.06%
Streets	135.82	25.17%
Sewer	121.42	22.50%
Facilities*	88.46	16.39%
Park & Recreation	12.92	2.39%
Police	8.55	1.58%
Economic Development	8.03	1.49%
Environmental Services	6.05	1.12%
Library	5.15	0.96%
Storm Drain & Flood Control	2.66	0.49%
Traffic Control	2.33	0.43%
Bikeways	1.17	0.22%
All Other	1.05	0.20%
TOTAL	\$539.58	100.00 %

*Includes the *Ballpark and Redevelopment Project*.

The changes in the Capital Improvements Program between Fiscal Year 2000 and Fiscal Year 2001 reflect projected scheduling adjustments as well as available funding.

Sewer capital projects include \$121.4 million to continue the planned \$2.5 billion upgrade of the City's metropolitan and municipal wastewater system. This includes the South Bay Water Reclamation Plant, the Point Loma - Digester Facility Upgrade and Expansion, Phase I of the South Bay Pump Station and Conveyance System, the South Bay Reclamation Sewer and Pump Station, and the continued replacement of concrete sewer mains and upgrades to the sewer infrastructure.

The scheduling of Water Fund capital improvement projects is consistent with available funding and reflects costs associated with maintaining the existing water infrastructure. Fiscal Year 2001 is the third year of an eight-year program to rehabilitate and upgrade the City's water infrastructure. Projects include water treatment plants, storage and delivery systems, storage reservoirs, pump plants and cast iron water main replacements. These improvements will allow the Water Department to continue to reliably supply San Diegans with safe, clean water, meeting the requirements of the 1996 Safe Drinking Water Act.

Major Fiscal Year 2001 facility improvements planned include the Ballpark and Redevelopment Project, which provides for development of a multiple-use baseball facility and infrastructure improvements, and is part of a larger redevelopment effort including private development in the downtown area.

Expansion of the Convention Center is scheduled to be complete in FY 2002. The San Diego Main Library continues to be a priority project.

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Many transportation and street related projects are funded with the use of TransNet funding. The City's first approach is to utilize TransNet cash for projects as much as possible in an attempt to minimize the issuance of bonds due to the high costs associated with debt service. In an attempt to further minimize debt service costs, the issuance of TransNet Commercial Paper is utilized when feasible. TransNet Commercial Paper is a borrowing tool used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. TransNet Commercial Paper funding gives the City an opportunity to build projects and make improvements now versus waiting until sufficient cash is accumulated. This also allows the City to build projects at current costs rather than escalated costs in the future. Because TransNet funding is projected to be available in future years, the issuance of TransNet Commercial Paper will not negatively impact other transportation projects.

**Volume IV
contains
detailed
information
about the
Capital
Improvements
Program.**

It is important to note that the City's CIP funding is generally restricted and many significant unfunded capital needs are still not met.